

Public Information Summary

Host Country	Republic of Sierra Leone
Name of Borrower	CECA SL Generation Limited, a company organized and existing in Sierra Leone (the “Borrower”).
Project Description	Development, construction and operation of an approximately 87 megawatt combined cycle thermal power plant and associated infrastructure located in Freetown, Sierra Leone (the “Project”).
Proposed DFC Loan	Up to \$217 million for a term of 16 years
All-Source Funding Total	Up to \$284 million
Policy Review	
Developmental Objectives	This Project is expected to have a highly developmental impact on Sierra Leone with the construction and operation of an 87 MW combined-cycle power plant. This plant, the first large utility-scale independent power producer in the country, will supply power to a low-income country with critical long-term power solution needs. Sierra Leone’s installed capacity is insufficient, and as a consequence, the country is currently reliant on offshore barges for power generation. The government of Sierra Leone has implemented reforms to attract private investment into the sector and set a goal of more than doubling the country’s installed capacity by 2023.
Environment and Social Assessment	Project Description: The Project involves the construction and operation of a thermal power plant with a gross capacity to generate 87.3 megawatts of electricity (MW _e). The CECA SL Generation Limited power plant will be located near the Kissy Dock, which is four kilometers from the center of Freetown in Sierra Leone. The thermal power plant consists of two combustion turbines and one steam turbine. The CECA SL Generation Limited thermal power plant will connect to the existing transmission line at the Project site, which is connected to the local electricity grid. The main fuel for the power plant will be liquefied petroleum gas (LPG), which will be delivered by ship to the nearby jetty and will require a connecting pipeline of less than 1,300 meters in length. Diesel will be used as back-up fuel. The power plant is expected to convert to natural gas in the near future. Desalinated water will be used for water injection, steam generation, and other uses at the plant. The Project site is located on an industrial plot owned by the Government of Sierra Leone, which has residential, commercial, and industrial neighborhoods in its immediate vicinity. The site was cleared by the developer and 13 small farming households were resettled and provided compensation and

livelihood restoration support, which was developed in compliance with IFC PS 5 requirements. The Project represents that no additional land acquisition, physical resettlement or economic displacement will result from the revised technical design.

Environment and Social Categorization and Rationale:

The Project has been reviewed against DFC's categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because the projected greenhouse gas emissions (of approximately 450,000 tons of carbon dioxide equivalent [CO_{2eq}] per year) exceed the 100,000 tons of CO_{2eq} per year threshold established under DFC's Environmental and Social Policies and Procedures (2020). The primary environmental and social issues associated with the thermal power project are: air emissions (especially nitrogen oxides, sulfur oxides, and particulate matter) and ambient air quality impacts; surface water quality impacts from the discharge of wastewaters; waste disposal; process safety hazards associated with the handling of liquefied petroleum gas and other petroleum (inflammable) products; labor management including occupational, health and safety during both construction and operations; life and fire safety; influx of construction workers; noise; community health, safety, and security; monitoring of potential livelihood impacts; biodiversity impacts especially those associated with the effluent discharges and supporting infrastructure (electricity transmission and distribution line), and traffic impacts both during construction and operation of the power plant. A team of national experts carried out biodiversity surveys to confirm the presence or absence of sensitive ecosystems in the Project's area of influence. The survey did not identify any sensitive ecosystems which will be significantly adversely impacted. In addition, no contamination was reported by the site survey. A draft environmental and social impacts management plan (ESMP) has also been prepared as a part of the ESIA package to address the identified impacts. This ESMP will be updated as the Project progresses.

Applicable Standards:

The International Finance Corporation's (IFC) 2012 Performance Standards (PS) triggered by the Project are:

- PS 1 Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2 Labor and Working Conditions;
- PS 3 Resource Efficiency and Pollution Prevention;
- PS 4 Community Health, Safety, and Security;
- PS 5 Land Acquisition and Involuntary Resettlement; and

PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources.

The Project does not involve any impacts on Indigenous Peoples or Cultural Heritage as defined by the IFC. Therefore, Performance Standards 7 and 8 are not triggered by this Project at this time.

According to PS 3, the guidelines applicable to the Project include the IFC's Environmental, Health, and Safety (EHS) General Guidelines (April 2007), IFC's Environmental, Health, and Safety Guidelines for Electric Power Transmission and Distribution (April 30, 2007), and the IFC's Environmental, Health, and Safety Guidelines for Thermal Power Plants (December 19, 2008).

Environmental and Social Risks and Mitigation:

The Project has developed a draft social and environmental management system whose components will be further updated as the Project progresses. In 2020, the Borrower prepared an Environmental and Social Impact Assessment (ESIA) to assess the Project's potential environmental and social impacts and the ESIA process complied with the requirements of the Sierra Leone's regulations. The Borrower has hired an Environmental and Social Manager and is still in the process of appointing additional environmental and social officers to assist in the management of environmental and social issues. The Borrower has prepared frameworks for monitoring and reporting on the Project's environmental and social impacts and these have been summarized in the draft Environmental and Social Management Plan (ESMP).

Air Emissions and Ambient Air Quality

The Project's air emissions and their impacts on ambient air quality will be managed by using the appropriate technology for controlling nitrogen oxides emissions and ensure compliance with the IFC's Guidelines. Greenhouse Gas emissions will vary depending on the operating hours of the facility and will be minimized by using one of the most energy efficient technologies available. Under the worst-case scenario, CO_{2eq} emissions from the Project will be less than 450,000 tons annually. The Project's noise levels are expected to be within the 3 dB(A) increment recommended by the IFC Guidelines.

Air dispersion modelling indicates that both the short-term and annual air quality standards for nitrogen dioxide (NO₂) can be achieved by the Project. Ambient air quality sampling for NO₂ at locations near the Project site were initiated in April-May 2020. During the sampling period, air quality in the vicinity of the Project met the local ambient air quality standards for NO₂. Based on the air-dispersion modeling using the specified power generation technology, the Project is expected to result

in acceptable levels of ambient concentrations of nitrogen dioxide and the Project is expected to meet the IFC's EHS General Guidelines and those for Thermal Power Plants.

Wastewater Discharge

Treated wastewaters complying with the IFC's Guidelines will be discharged to the sea and are expected to have minimal impacts as the pollutant concentrations would not be significantly different from those in the receiving water body. Municipal and permitted hazardous waste disposal facilities will be used for the disposal of solid and hazardous wastes, respectively. The Project's hazardous materials management plan, occupational health and safety plan (OHSP), and emergency response plans will be used to manage risks associated with the handling of fuel, including the risk of fire. The OHSP will also be used to address other safety risks during both construction and operation phases of the Project. The Borrower is committed to providing appropriate personal protective equipment, training of all site personnel, and adoption of standard safety procedures during all stages of the proposed Project.

Livelihood Impacts

The Project will not result in additional direct physical or economic displacement; however, will be required to monitor artisanal fishermen who operate in the Project area to ensure that their livelihoods are not jeopardized by increased shipping movements that are expected over time. The thirteen small farmers who were relocated by the Project developers in 2018 will also be monitored to ensure that their livelihoods are not adversely affected by this Project's activities, and a previously developed Abbreviated Resettlement Action Plan includes plans to relocate seven informal household structures outside of the Project gate.

Biodiversity Impacts

Construction activities in the Project area is not expected to result in habitat modification. These ecosystems are important habitats for local, regional, and global biodiversity. The Project is implementing the mitigation hierarchy to avoid and minimize impacts on sensitive ecosystems and species. Mitigation measures and management plans for these activities incorporate Good Industry Practices, as defined by the IFC Performance Standards. A biodiversity action plan has also been prepared as a part of the ESIA package to address the identified biodiversity impacts. A Biodiversity Management Plan (BMP) is being developed to properly manage the biodiversity impacts and monitor compliance with the IFC's PS6 requirements.

In order to manage construction impacts to acceptable levels and ensure compliance with the IFC's Performance Standards and Guidelines, the Borrower will prepare traffic management and construction management

plans. The Engineering, Procurement, and Construction (EPC) Contractor is also committed to complying with IFC's Performance Standards and Guidelines and ensuring that the community impacts are minimized.

Cumulative Impacts

The Borrower has developed a plan to manage cumulative impacts. Some of the major cumulative impacts are related to infrastructure impacts management and social impacts management. The Biodiversity Management Plan, Environmental & Social Management Plan, and Community Impacts Management Plans have been designed to address the identified cumulative impacts. Other cumulative impacts related to the increase in road traffic and effluent discharges are being addressed in the traffic and effluent discharge management plans designed to specifically address these issues.

Environmental and Social Management

The Project's detailed ESMP is being prepared and it will present additional information on the monitoring of mitigation measures which have been designed to reduce the Project's impacts to the IFC Guidelines' recommended levels. Additionally, the Borrower will provide DFC with annual reports summarizing the Project's environmental and social performance. The Borrower will also be required to conduct an independent third-party audit of its monitoring data to verify compliance with environmental and social covenants.

DFC Site Visit: DFC staff could not undertake a physical site visit because of the ongoing pandemic (COVID 19). Therefore, DFC staff undertook a virtual environmental and social due diligence site visit in March 2021. Discussions took place with the local Project team. Based on DFC's virtual site visit, the major representations made in the ESIA were confirmed.

ESIA Disclosure: The Project ESIA was disclosed on January 5, 2021 and the comment period closed on March 8, 2021. No comments were received.